

October 11, 2004

To: Teachers' Retirement Systems (TRS) Plan 3 Employers

From: Dave Nelsen
Assistant Director of Administrative Services

Subject: **TRS Plan 3 Contribution Rate Change Options**

Teachers' Retirement System (TRS) Plan 3 members will have an opportunity during the month of January to change their contribution rate option. TRS Plan 3 members wanting to initiate this change must complete the TRS Plan 3 Contribution Rate Change form and submit it to their employer by January 31, 2005.

This option is being offered according to provisions granted to TRS Plan 3 by the Internal Revenue Service (IRS). The contribution rate option members select should be considered binding and can only be changed when they change employers or during rate change windows as permitted by the IRS.

An article regarding contribution rate flexibility will be included in the quarterly *Plan 3 Reports* that accompany members' account statements. These reports will be distributed to members in mid-October with the self-directed account statements, and in mid-November with the WSIB account statements. Additional information about rate change flexibility will be included in the October *Washington State Retirement Outlook* newsletter. Members wanting additional information or a copy of the TRS Plan 3 Contribution Rate Change form should be directed to the TRS Plan 3 Web site at www.icmarc.org/plan3/trs/.

The TRS Plan 3 Web site will have detailed information and instructions for initiating this change. Members wishing to change their rate need to complete the TRS Plan 3 Contribution Rate Change form and return it to their employer during the month of January. Members will be directed to contact their employers if necessary to verify their current contribution rate option or to obtain a copy of the form.

TRS Plan 3 Contribution Rate Change Options

October 7, 2004

Please photocopy the attached form or print the form from the Internet

www.icmarc.org/plan3/trs/ as necessary. DRS will not distribute additional copies of this form to employers.

When processing contribution rate changes please be aware of the following requirements:

- TRS Plan 3 members are not required to change their contribution rate selection. A form should be completed for only those members who choose to change their rate selection.
- In order to change their contribution rate selection, the member must be employed in January 2005.
- The member must submit the form to the employer no later than January 31, 2005.
- If you receive a Contribution Rate Change Form from a SERS Plan 3 or PERS Plan 3 member, it should be returned to the member. The IRS has not yet granted permission to extend the contribution rate change window to SERS or PERS.

After verifying the above requirements, the employer should complete section 3, enter the member's new contribution rate into the employer payroll system, and mail the original signed form to DRS.

The employer includes the new rate option information on the next transmittal report based on the employer's payroll cutoff schedule.

If you have any questions regarding this information, please contact Employer Support Services at (360) 664-7200 or 1-800-547-6657, or e-mail us at DRSEmployer@DRS.wa.gov.

Attachment